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Financing of the United Nations Mission in Liberia

Budget performance of the United Nations Mission in Liberia for the period from 1 July 2016 to 30 June 2017

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2016/17	$187,139,600
Expenditure for 2016/17	$182,846,500
Unencumbered balance for 2016/17	$4,293,100
Appropriation for 2017/18	$110,000,000
Projected expenditure for 2017/18[a]	$109,645,300
Projected underexpenditure for 2017/18[a]	$354,700

[a] Estimates as at 28 February 2018.

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I. Introduction

1. During its consideration of the report of the Secretary-General on the budget performance of the United Nations Mission in Liberia (UNMIL) for the period from 1 July 2016 to 30 June 2017 (A/72/640 and A/72/640/Corr.1), the Advisory Committee on Administrative and Budgetary Questions met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 18 April 2018. The documents reviewed and those used for background information by the Committee are listed at the end of the present report. The comments and recommendations of the Committee on cross-cutting issues related to peacekeeping operations, including those pertaining to the findings and recommendations of the Board of Auditors on the United Nations peacekeeping operations for the period from 1 July 2016 to 30 June 2017, can be found in its related report (A/72/789). The main observations and recommendations of the Board pertaining specifically to UNMIL are discussed in paragraphs 11 to 15 below.

2. The mandate of UNMIL was established by the Security Council in its resolution 1509 (2003) and extended in subsequent resolutions. The mandate for the reporting period was provided by the Council in its resolutions 2239 (2015), 2308 (2016) and 2333 (2016), in which the Council extended the Mission's mandate for a final period until 30 March 2018 and requested the Secretary-General to complete by 30 April 2018 the withdrawal of all uniformed and civilian UNMIL components, other than those required to complete the Mission's liquidation.

II. Budget performance for the period from 1 July 2016 to 30 June 2017

3. In its resolution 70/278, the General Assembly appropriated an amount of $187,139,600 gross ($180,576,800 net) for the maintenance of UNMIL for the period from 1 July 2016 to 30 June 2017. Expenditures for the period totalled $182,846,500 gross ($175,500,100 net), reflecting a budget implementation rate of 97.7 per cent, exclusive of budgeted voluntary contributions in kind. The resulting unencumbered balance of $4,293,100, in gross terms, represents 2.3 per cent of the appropriation, reflecting the combined effect of:

(a) Lower-than-budgeted expenditures under: (i) military and police personnel ($3,948,400 or 6.6 per cent) resulting from higher actual vacancy rates; and (ii) operational costs ($12,598,200 or 23.5 per cent) resulting from reduced requirements for air and ground transportation, travel, spare parts, equipment and prefabricated facilities as well as the early decommissioning of a naval vessel;

(b) Higher-than-planned civilian costs ($12,253,500 or 16.7 per cent) resulting from payments due to staff members at the time of separation from service or relocation to another duty station and the promulgation of new salary scales for national General Service staff and National Professional Officers, effective 1 October 2015, which were not anticipated at the time of the preparation of the budget for the 2016/17 period.

4. A detailed analysis of variances is provided in section IV of the report of the Secretary-General on the budget performance of the Mission for the period from 1 July 2016 to 30 June 2017 (A/72/640 and A/72/640/Corr.1).

5. The report of the Secretary-General indicates that, during the 2016/17 period, a total amount of $12,274,500 was redeployed from group I, military and police personnel, and group III, operational costs, to group II, civilian personnel, primarily

to meet the additional costs related to payments resulting from staff members' separation from service or relocation because of the overall Mission drawdown (see also para. 7 below).

6. The Advisory Committee notes that additional expenditures were incurred under group I, military and police personnel, for contingent-owned equipment. Upon enquiry, the Advisory Committee was informed that Security Council resolution 2333 (2016) required UNMIL uniformed personnel to be rapidly downsized by 28 February 2017, which resulted in difficulties in arranging transportation for major equipment of such personnel. The Committee was further informed that the shipment of major equipment did not occur until 30 March 2017 and incurred higher-than-planned freight costs.

7. The Advisory Committee also notes the substantial overexpenditure incurred under group II, civilian personnel, mainly for increased requirements attributable to staff separation payments. Upon enquiry, the Advisory Committee was informed that such payments are part of common staff costs, which are planned for by using the average percentage of common staff costs incurred during the previous budget periods, taking into account any changes on salaries and benefits that may occur subsequent to changes in staff regulations and conditions of service. The Committee was further informed that, for a closing or downsizing peacekeeping mission, additional provisions are made using available information on current liabilities against separating staff members as well as projected liabilities that are expected to be accrued during the upcoming budget period, and that UNMIL included a provision in its 2017/18 budget for staff separation payments. **The Committee trusts that, based on the experiences of the United Nations Operation in Côte d'Ivoire (UNOCI) and UNMIL, the Organization will assess trends and patterns of expenditure associated with separation costs in a liquidating mission and build upon the lessons learned to ensure that existing and future liabilities against separating staff are properly reflected and justified in future budget proposals (see paras. 12 and 13 below).**

8. The Advisory Committee also notes the higher-than-anticipated expenditures under group III, operational costs, for the rental of premises ($440,800 or 28 per cent), owing to the delayed handover of some premises in the Pan African Plaza building, which prevented the Mission from achieving the savings initially envisaged. Upon enquiry, the Advisory Committee was informed that the United Nations Development Programme delayed its relocation to UNMIL headquarters in the Pan African Plaza building, and therefore UNMIL continued to pay the full rental cost.

9. The Advisory Committee observes that actual expenditures diverged significantly from the planned budget. **The Advisory Committee recommends that the Secretariat more closely analyse the costs associated with closing missions to provide a more realistic budgeting methodology for future missions undergoing drawdown and liquidation.**

10. The report of the Secretary-General indicates that the total unencumbered balance for the period from 1 July 2016 to 30 June 2017 was $4,293,100 and the total unliquidated obligations as at 30 June 2017 amounted to $11,779,300. The report also indicates total other revenue in the amount of $6,769,300 from investment revenue ($422,600), other/miscellaneous revenue ($1,737,100) and the cancellation of prior-period obligations ($4,609,600).

Matters pertaining to the report of the Board of Auditors

11. In considering the report of the Secretary-General on the budget performance of UNMIL, the Advisory Committee also had before it the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the

financial period ended 30 June 2017 (A/72/5 (Vol. II)) With respect to budget formulation and management, the Board has stressed repeatedly that the Administration should review weaknesses in budget formulation and develop improved principles and methodologies to assist the missions in formulating realistic, consistent and reliable budgets. The Board observed that, in general, while underexpenditures were reduced significantly when compared with the previous financial year, underspending of 5 per cent or more between appropriation and expenditure continued to take place in a number of missions, including UNMIL, as indicated in paragraph 3 (a) above.

12. The Board of Auditors also indicated that the Department of Peacekeeping Operations and the Department of Field Support were conducting an after-action review of each mission's liquidation process to ensure that lessons were learned and best practices were identified and shared with other peacekeeping missions in drawdown or liquidation phases. The Board noted that the after-action review covered four specific areas: (a) human resources separation and check-out; (b) archiving and record management; (c) disposal of assets; and (d) camp closure, with specific attention to environmental initiatives and challenges (see A/72/5 (Vol. II), chap. II, para. 481).

13. The Board of Auditors further indicated that the Department of Peacekeeping Operations and the Department of Field Support were revising the Liquidation Manual regarding the preparation and implementation of efficient and effective liquidation plans (ibid., para. 482). The Board noted that the Department of Peacekeeping Operations and the Department of Field Support were also developing an environmental annex for the Liquidation Manual, which would include the "Guidelines for Environmental Clearance and Handover of Mission Sites of Liquidation" and a template for the handover certificate for sites handed back to the host nation or land owner (ibid., paras. 487–491). **The Advisory Committee trusts that an update on the revisions to the Liquidation Manual will be provided to the General Assembly at the time of its consideration of the Secretary-General's budget performance report.** The Committee makes additional observations and recommendations on the lessons learned from closing peacekeeping operations in its cross-cutting report on peacekeeping operations (A/72/789).

14. With respect to matters related to environmental management, the Board of Auditors observed that contamination of water and soil had taken place below generators and fuel tanks, especially, but not exclusively, in the camps of troop- and police-contributing countries in missions that had been recently liquidated or downsized, such as UNMIL and UNOCI (see A/72/5 (Vol. II), chap. II, para. 429). The Secretary-General notes in paragraph 19 of his report (A/72/640 and A/72/640/Corr.1) that UNMIL ensured adherence to environmental protection policies in its operations and established a green working group to enhance and promote environmentally sound practices within the Mission. The report indicates that closed sites handed over to the Government of Liberia during the performance period had an environmental clearance certificate signed by the representatives of the Mission and thereafter by the Liberian Government's Environmental Protection Agency inspection team responsible for the closure of the camp or site. **The Advisory Committee notes the progress made on environmental management during the performance period and trusts that all future sites to be closed will be handed over in compliance with the guidance issued by the Department of Peacekeeping Operations and the Department of Field Support with respect to environment and waste management, the revised Liquidation Manual, including its environmental annex, and relevant environmental laws and practices of the host government to avoid any environmental impact (see also paras. 29 and 30 below).**

15. With regard to the Mission's ongoing environmental activities, the Board of Auditors recommended that the Administration ensure that administrative stipulations were adhered to and that quarterly meetings of the UNMIL Environmental Committee were held (see A/72/5 (Vol. II), chap. II, paras. 438–440). The Board also recommended that closing and downsizing missions hand over sites with the smallest environmental footprint possible (ibid., para. 479).

16. Further comments of the Advisory Committee on the information presented in the budget performance report of the Secretary-General (A/72/640 and A/72/640/Corr.1) can be found, where relevant, in the discussion of the current period in section III below.

III. Information on performance for the current period

A. Mandate and planned results

17. The Security Council, in its resolution 2333 (2016), extended the mandate of UNMIL for a final period until 30 March 2018 and requested the Secretary-General to complete by 30 April 2018 the withdrawal of all uniformed and civilian UNMIL components, other than those required to complete the Mission's liquidation. In the same resolution, the Council also mandated the Mission to support the Government of Liberia with regard to: (a) the protection of civilians; (b) the reform of justice and security institutions; (c) human rights promotion and protection; (d) public information; and (e) the protection of United Nations personnel (see A/72/640, paras. 4 and 5).

18. In his statement provided to the Advisory Committee, the Special Representative of the Secretary-General indicated that UNMIL was on track to complete its mandate in a timely manner by the deadline of 30 March 2018 and noted that, during the first months of 2018, the Mission had been transferring tasks on human rights monitoring, rule of law, national reconciliation and security sector reform to the government, civil society and the United Nations country team. Upon enquiry, the Advisory Committee was informed that the Mission had successfully completed its mandate as at 30 March 2018.

B. Financial position of the United Nation Mission in Liberia

19. In its resolution 71/304, the General Assembly decided to appropriate to the Special Account for the United Nations Mission in Liberia the amount of $116,954,000 for the period from 1 July 2017 to 30 June 2018, inclusive of $110,000,000 for the maintenance of the Mission, $5,563,000 for the support account for peacekeeping operations and $1,391,000 for the United Nations Logistics Base at Brindisi, Italy.

20. The Advisory Committee was informed that, as at 18 April 2018, a total of $8,015,707,000 had been assessed on Member States in respect of the Mission since its inception. Payments received as at the same date amounted to $7,990,921,500, leaving an outstanding balance of $24,785,500. In that regard, the Committee recalls that the General Assembly has repeatedly urged all Member States to pay their assessed contributions on time, in full and without conditions (see, for example, General Assembly resolution 71/304).

21. Upon enquiry, the Advisory Committee was informed that, as at 1 March 2018, payments in the amount of $18,235,500 had been made to troop-contributing countries for standard troop reimbursement costs for the period from 1 January to

31 December 2017. The Committee was also informed that for the period from 1 January to 30 September 2017, payments in the amount of $8,938,000 were made for contingent-owned equipment reimbursements, leaving a balance in the amount of $2,075,000 as at 31 December 2017. The Advisory Committee was also informed that, with respect to death and disability compensation since the inception of the Mission, an amount of $5,109,800 had been paid in respect of 144 claims as at 1 March 2018, and 1 claim was pending. **The Advisory Committee trusts that the outstanding claim will be settled expeditiously.**

22. With respect to the current and projected expenditures for the period from 1 July 2017 to 30 June 2018, the Advisory Committee was informed that, as at 28 February 2018, expenditures for the period amounted to $83,540,200 gross, or 76 per cent of the appropriation. At the end of the current financial period and closure of the mission, the projected total expenditure would amount to $109,645,300 gross, against the appropriation of $110,000,000 gross, leaving a projected underexpenditure of $354,700 gross, or 0.3 per cent.

C. Liquidation activities

23. The Advisory Committee was informed that the Special Representative of the Secretary-General indicated that UNMIL had reviewed the lessons learned and the audit observations of former and currently closing missions, such as UNOCI and the United Nations Stabilization Mission in Haiti (MINUSTAH). The Committee was also informed upon enquiry that UNMIL had taken note of the audit observations regarding the backlog of unprocessed transactions (travel claims, purchase orders, invoices, staff security services) that had occurred in UNOCI, and had improved coordination with United Nations Headquarters, the United Nations Logistics Base and the Regional Service Centre in Entebbe, Uganda, with a view to ensuring that all required staff from those entities would be engaged in the Mission's liquidation activities at an earlier stage to simplify the handover of activities after 30 June 2018.

24. The Advisory Committee was informed upon enquiry that the Mission was also coordinating with the Peacekeeping Financing Division, the Accounts Division in the Department of Management, the Field Budget and Finance Division of the Department of Field Support and the Regional Service Centre to identify commitments that should be recorded prior to the closure of accounts for UNMIL, with a view to covering all possible liabilities identified during the 2018/19 period. The Advisory Committee was further informed that UNMIL would share lessons learned on its liquidation activities for the benefit of future closing peacekeeping missions.

Education grant

25. The Advisory Committee was informed upon enquiry that education grants for staff members for the 2017/18 school year would be settled against the Mission's approved resources for the 2017/18 period. The Committee was further informed that the Regional Service Centre, which processes education grants for UNMIL, would prorate the amounts based on the day of the staff member's separation. The Advisory Committee recalls information received on the processing of education grants for MINUSTAH, which included in the check-out list for separating staff members a requirement to submit claims for their children's education grants. The Committee was further informed that such claims were prorated according to the period of service of the staff member, in line with paragraph 5.1 under section 5 of the administrative instruction on the education grant and special education grant for children with a disability (see ST/AI/2011/4/Amend.2) for staff who were separated before 1 January 2018, while section 6 of the updated administrative instruction on the education grant

and related benefits (ST/AI/2018/1) would apply to staff separating after 1 January 2018. **The Committee recommends that the General Assembly request the Secretary-General to strictly comply with the administrative instructions on the education grant and special education grant for children.**

Unforeseen liabilities

26. In paragraph 65 of his report, the Secretary-General suggests the possibility that unforeseen liabilities might arise after 30 June 2018, as obligations to governments for troops, formed police units, logistical support and other goods supplied and services rendered remain valid for a five-year period. Owing to those unforeseen liabilities, the Secretary-General proposes that the General Assembly allow the Secretary-General, on an exceptional basis, with the prior concurrence of the Advisory Committee and subject to relevant rules and regulations, to enter into commitments in respect of expenditures related to the mandated operation and liquidation of the Mission that are identified after its closure, and to use the Peacekeeping Reserve Fund for cash flow purposes if necessary.

27. **The Advisory Committee trusts that, in line with the recommendations of the Board of Auditors (see A/72/5 (Vol. II), chap. II, para. 473), the Secretariat will in future begin pre-liquidation processes and identify potential outstanding commitments at least nine months before a mission's physical closure, to avoid the use of the Peacekeeping Reserve Fund.**

28. **The Advisory Committee trusts that updated financial information on potential outstanding liabilities, including for liabilities under contracts, will be provided to the General Assembly at the time of its consideration of the Secretary-General's final performance report.**

Environmental waste management

29. The Advisory Committee was informed upon enquiry that eight sites were closed during the 2017/18 period and all received UNMIL environmental clearance certificates, which were countersigned by a representative of the Environmental Protection Agency of the Government of Liberia. The Advisory Committee was also informed that clean-up activities were being performed according to environment and waste management policies approved by the Department of Peacekeeping Operations and the Department of Field Support, in line with Liberian environmental law. The Committee was further informed that 200 tons of contaminated soil had been collected, of which 30 tons had been treated so far, and a further 300 tons of contaminated soil were expected to be collected before the completion of the liquidation of the Mission. **The Advisory Committee trusts that the Mission will continue to reduce its long-term overall environmental footprint, including by implementing environmentally friendly waste management practices, as requested by the General Assembly in its resolutions 69/307 and 70/286 and as recommended by the Board of Auditors in its report A/72/5 (Vol. II), and treating all 500 tons of contaminated soil, and that lessons learned from the Mission's environmental waste management practices will be incorporated into the revised Liquidation Manual.**

30. The Advisory Committee was also informed, upon enquiry, that the Mission disposed of 201 sea containers in 2017 and planned to dispose of a further 571 sea containers in 2018. The Committee requested, but did not receive, complete information on the time frame for and the environmental waste management procedures that would be applied to the disposal of the sea containers. **The Committee recalls its expectation that unused sea containers, regardless of their condition, will be disposed of properly, either by their removal or by their being discarded without causing environmental**

damage. The Committee also trusts that detailed information on the disposal of the aforementioned sea containers will be included in the final performance report for UNMIL for the period 2017/18 (see A/71/836/Add.16, para. 54).

IV. Actions to be taken by the General Assembly

31. The actions to be taken by the General Assembly in connection with the budget performance report for UNMIL for the period from 1 July 2016 to 30 June 2017 are contained in paragraph 66 of the report of the Secretary-General. **The Advisory Committee recommends that the unencumbered balance of $4,293,100 for the period from 1 July 2016 to 30 June 2017, as well as other revenue and adjustments for the period ended 30 June 2017 in the amount of $6,769,300, be credited to Member States in full and without delay. The Committee also supports the proposal that the Assembly authorize the Secretary-General on an exceptional basis, with the prior concurrence of the Advisory Committee and subject to relevant rules and regulations, to enter into commitments in respect of expenditures related to the mandated operation and liquidation of UNMIL that are identified after the closure of the Mission, to use the Peacekeeping Reserve Fund for cash flow purposes if necessary and to report thereon in the context of the final performance report.**

Documentation

- Report of the Secretary-General on the budget performance of the United Nations Mission in Liberia for the period from 1 July 2016 to 30 June 2017 (A/72/640 and A/72/640/Corr.1)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the budget performance for the period from 1 July 2015 to 30 June 2016 and proposed budget for the period from 1 July 2017 to 30 June 2018 of the United Nations Mission in Liberia (A/71/836/Add.16)
- Financial report and audited financial state nts for the 12-month period from 1 July 2016 to 30 June 2017 and report of the Board of Auditors, Volume II, United Nations peacekeeping operations (A/72/5 (Vol. II))
- Report of the Advisory Committee on Administrative and Budgetary Questions on observations and recommendations on cross-cutting issues related to peacekeeping operations (A/72/789)
- General Assembly resolutions 70/278 and 71/304
- Security Council resolutions 2284 (2016) and 2333 (2016)